

PREFACE

The idea of putting together a factual record of the forty years of Snap-on's history was started in April, 1959, while attending our stockholders' meeting in Kenosha, Wisconsin.

Mr. Joseph Johnson, a founder, and on that day completing his twentieth year as President before his announced retirement, asked if I had any comments. I said, "Yes, there are about 50-75 stockholders here and maybe they would like to hear a little about our early days." Several spoke up, so Joe said, "go ahead."

Mrs. Stanton Palmer, widow of Stanton, our president from 1921 to 1931, was in the front row. She was quite an inspiration to me in recalling those early experiences. After the meeting she said, "The founders planned so big on so little." My remarks at this meeting led to the Directors asking me to take the leadership in putting this history together in booklet form.

There will be no attempt at fine writing or gilding the lily. We shall try to tell the story as it happened, based upon the available records in the corporate files and the memories of the remaining three of the four founders. As far as credit is concerned, there is plenty to go around. Joe Johnson and Bill Seidemann for the original conception of the Snap-on idea, and on production; Stanton Palmer on finance and administration; and I on sales. During those early years we worked together as a close-knit team. By sticking together and sweating it out, the solid foundation on which Snap-on stands today was built.

Menter E. Tarble

THE FOU



JOSEPH JOHNSON

Joe Johnson was born June 27, 1894, at Milwaukee, one of six children of immigrant Scandinavian parents. At age fourteen he secured his first fulltime job as errand boy at the Falk Corporation in Milwaukee. After a year he went to Pfister and Vogel Leather Company, Milwaukee, as a stock ledger clerk for three years, and then to the Federal Rubber Company as cost clerk. He then shifted to Milwaukee Corrugating Company where he spent five years, first as a clerical employee and later on as their Nebraska Sales Representative. In 1918, he joined the American Grinder Manufacturing Company of Milwaukee and spent two years with them, originally as an expediter and later as manager of their newly formed Wrench and Tool Division. It was here that Joe and Bill Seidemann got together and planted the seed of Snap-on Wrench Company.

He retired as Chairman of the Board of Snap-on in April 1960, but remains a Director of the Corporation and of its Canadian subsidiary.

In 1943, he was elected to the Board of Directors of the First National Bank of Kenosha and served in that capacity until 1960. He also served as President of the Kenosha Manufacturers' Association during 1954 and 1955, and until recently as a director of the Wisconsin Manufacturers' Association. Always active in civic affairs Joe has served on the Board of Trustees of the Kenosha Hospital, and is a Trustee of Carthage College.



WILLIAM A. SEIDEMANN

Bill Seidemann was born March 21, 1893, on a farm at Newburg, Washington County, Wisconsin.

His grandfather had immigrated from Germany to that area more than a half century before.

During his early years Bill helped around the farm and his interests were early directed towards the maintenance of the farm equipment. This interest in things mechanical was to prove very advantageous to him when plant and production facilities came under his supervision.

He was educated through grammar school and high school at Newburg, and later went to a Milwaukee commercial college where he took up accounting and business administration. When Bill went to Milwaukee, his first job was in the cost accounting department of the George J. Meyer Manufacturing Company, a manufacturer of bottle washing equipment. With that company he rose to the position of Purchasing Agent. In 1918, he left George J. Meyer Manufacturing Company and took a position as Purchasing Agent at the American Grinder Manufacturing Company in Milwaukee, manufacturers of hand-operated grinders and oil and water pumps for automobiles and trucks. After World War I, this company went into the manufacture of automotive tools and socket wrenches. It was here that Bill met Joe Johnson, who was also working there, and was in charge of their Tool Division.

Bill retired in April 1954, but remains as Director of the Corporation and its Canadian subsidiary.

DERS



STANTON PALMER

Born in Newport, Rhode Island, October 12, 1872, Stanton Palmer came to Chicago when he was sixteen years old and secured a job with Armour and Company in the Bookkeeping Department. He worked his way up and was given more and more responsibility until at the age of thirty-six he was the youngest man at that time to become a branch manager. While in charge of an Armour Branch at Omaha, he met and married Margaret Rogers; three children were born of this union—Rogers Palmer, present Snap-on Vice President and Director of Marketing—Peggy—and Mary.

At one time he was on twenty-three boards of directors for the Armour interests. It was apparent Palmer had a great future with Armour, but he was anxious to get in business for himself.

Stanton took over and refinanced a paving company in Memphis, Tennessee. While they were paving a road, a large road tamping roller ran wild down a hill, jumped the road and landed in a restaurant killing two people. The resultant legal action broke the company.

At this point, he secured a sales position with the Shapleigh Hardware Company of St. Louis. During this period when Stanton was selling the retail hardware trade up and down the midwestern states, he became tremendously interested in the sale of tools. He saw a great future for small hand tools, because in his mind was a vision of the future when the automobile, the airplane, farm equipment, everything in industry, would be tremendously expanded. The more industry expanded, the more movable parts there would be, and the more demand there would be for high quality tools. Stanton passed away April 13, 1931.



NEWTON E. TARBLE

Born on an 800-acre stock farm six miles north of Martinsville, Illinois, February 28, 1888, Newt went to country school and prepped for college at Eastern Illinois State Normal School at Charleston, Illinois, sixteen miles from his home. He entered Swarthmore College in 1909, graduating in the class of 1913, after which he went to work for the Ketterlinus Lithographic Manufacturing Company, Philadelphia, Pennsylvania. After nine months' training he started in the Sales Department in 1914, at Philadelphia. He was transferred to Chicago in 1915. In 1917, Newt attended 2nd Officers' Training Camp, Fort Benjamin Harrison, Indianapolis, and was commissioned First Lieutenant of Infantry. After seeing action in the Argonne Offensive August, 1918, to November 11, 1918, he became a Courier for the Peace Commission, one of 65 officers carrying the diplomatic pouch from Headquarters in Paris, February, 1919, to July, 1919.

After release from the service he sold lithography out of Chicago from July, 1919, until October, 1920, and joined Stanton Palmer as a partner October 26, 1920.

He resigned from Snap-on in May, 1935, but being one of the principal stockholders, remained on the Board of Directors. He joined the Hiram Walker Organization in Walkerville, Canada, as Assistant Sales Manager of Gooderham & Woorts Division in June, 1935. In January, 1938, he was made General Sales Manager of the Barclay Division, and in 1939, President of the Barclay Division.

Newt retired in 1947, and is living in Los Angeles with his wife and daughter.

The evolution of an idea

THE COMPANY began to operate as a legally incorporated organization in 1920, but the story of Snap-on really begins in 1918.

In July 1918, Joe Johnson, a young, affable man of Scandinavian parentage, accepted a job as expediter in the purchasing department of the American Grinder Manufacturing Company in Milwaukee, Wisconsin.

There he struck up a firm and lasting friendship with another young man, William A. Seidemann, a down-to-earth plugger, of German descent who had been employed as purchasing agent.

In bringing these two men together fate had performed the first step in a process of development that was destined to revolutionize the mechanic hand tool industry.

It was inevitable that men such as Joe and Bill would discuss their hopes for the future and many a lunch hour was spent in each other's office talking over their prospects and seeking for a product which they could, with extremely limited capital, hope to manufacture and build into a successful business.

In November 1918, the first world war ended and soon the effect of slacking business made itself felt. The plant became idle almost to the point of complete shutdown.

Once again fate intervened by bringing Joe into his first close contact with mechanic's tools. The Company inaugurated a new division to manufacture a line of socket wrenches.

At that time the socket wrenches were made as a one-piece unit with the socket tightly and permanently affixed to the handle. They were made in a series of wrench sizes and a variety of handle patterns, and cost from 40 cents to \$1.80 depending upon the size and the handle design.

Mechanics had to buy a great many of these "tight" wrenches in order to have all wrench sizes and types of handles they needed.

In 1919, Joe was brought into the new division as manager.

It was then he first asked himself the question which would eventually revolutionize the entire socket wrench industry. "Why should a garage owner or mechanic buy all these handles if he could buy only one each of five different types of handles and then interchange ten sizes of sockets on these handles to get the utility of fifty wrenches?" The more he thought about it the firmer became his conviction that such tools would be universally accepted throughout the mechanic trade.

Loyalty to the company for which he worked led him to approach the Vice President and Works Manager and present his idea with the suggestion that it be used.

As has happened to many another man with visionary ideas, his was turned down. He was told that the company was tooled up to make and sell the individual "tight" socket wrenches which the trade was already using and which the company felt would give them much more volume than the interchangeable type suggested by this young, inexperienced dreamer.

Dashing of cold water on his idea served only to intensify Joe's faith in its practicability, and unbeknown to anyone he began quietly to put it into execution.

One noontime, as the two friends met in Bill Seidemann's office to eat lunch together, Joe handed Bill five samples of the wrench handles and explained in detail his idea of the interchangeable sockets.

Before long, Bill was as intrigued by the possibilities as Joe, and the two men decided that here, at last, was the opportunity they had long awaited. The big question then became "how to put the idea into production."

Neither man had any resources to put into the project other than an unquenchable desire to build the idea into a financial success.

First a complete set of five handles and ten sockets had to be made. Joe Johnson had a cousin in Milwaukee who owned a welding shop, so after buying a small supply of round bar steel stock, the two non-conformists spent Saturdays and Sundays in the welding shop bending the bar stock to shape by means of crude bending jigs and muscle power. They formed the ten sockets on the limited equipment available, hand



drilling holes with a brace and bit in the square drives of the handles for the spring and friction ball, and stamping the stock numbers and sizes by hand.

From two very thin pocket books Joe and Bill extracted enough cash to pay for photographs of the wrenches, as a complete set and as individual units, and produced their first promotional advertising. It was a four page pamphlet setting forth the advantages of these new interchangeable socket wrenches, the convenience of the tools, the light weight of the complete set, and the big money savings for the buyer. Two thousand copies were printed, Joe Johnson named the new tools Snap-on wrenches and coined the phrase "Five do the work of fifty."

Now they had a set of tools and some printed pamphlets but a crucial period lay ahead. Their regular employment precluded any intensive sales efforts on their part, so

they made a connection with a tire salesman who covered the Wisconsin area, and worked out a mutually satisfactory arrangement with him.

Taking the one sample set and the pamphlets this first Snap-on salesman started by calling directly on the garage mechanics, extolling the many fine features and advantages of owning this new set of wrenches. He had no stock to deliver and his samples were still the only ones yet made. Favorable reaction from the field was encouraging and orders for the sets were written up on a C.O.D. basis and for delivery at a future date.

In the interim, a second set of samples was being produced by the same muscle-testing hand operations that brought the first set into being. As soon as the new set was completed another tire salesman became the second Snap-on salesman to call on the mechanic trade.

The missionary efforts of these two men who handled the Snap-on sales promotion as a sideline to their regular operations proved conclusively that mechanics liked the new type of socket wrenches and would buy them, and a stock of over five hundred C.O.D. orders attested to the fact.

Now came the problem. "How to convert 500 orders into deliveries when you have no product and no capital." Fate once again came into the picture.

Sometime before, Joe Johnson had rendered assistance to a friend by lending his name to help incorporate a business, and in the course of the transactions had made the acquaintance of a Milwaukee attorney. It was to this attorney that Joe and Bill made their way with the Snap-on wrench idea and discussed with him their intention to incorporate a company to produce Snap-on wrenches.

When asked by the attorney how they would finance their venture Joe said, "We will find a way," and promptly began selling the attorney on the prospect of being the first outside investor in the new company.

Responding that he had no funds available at the time, the attorney said that he had friends interested in young men with ideas and good business prospects, whereupon he suggested that Joe and Bill see Messrs. J. G. Cowling and W. J.

Hanson, men prominent in Milwaukee industry.

To these men, hand tools, especially those for the automobile service field, were an unfamiliar product but Joe and Bill had an ace-in-the-hole — the stack of C.O.D. orders from mechanics, all secured from two sample sets.

It was this stack of orders that sold Cowling and Hanson on the idea of taking a chance on two young men they had never heard of or previously met.

Meanwhile, the attorney had started incorporation proceedings and on April 10, 1920, Snap-on Wrench Company, a Wisconsin corporation, began its legal existence.

Of the original capitalization Joe Johnson and Bill Seidemann each put in \$500.00 (which they had to borrow). Cowling, Hanson, Joe and Bill each held equal interest, with the understanding that Joe and Bill pay for the balance of their stock out of earnings.



Original plant on Reed Street, Milwaukee

Snap-on was now a going company in a very small way and the first step was to rent a modest space of about 2,500 square feet in a store building at 134 Reed Street in Milwaukee. Raw stock was stored in the basement and production and administration work occupied the two floors of the building.

Original equipment consisted of one punch press, one grinder and polisher, one drill press, one hand screw machine, and one bending block with jigs for bending steel rods into handles by hand. With these limited facilities Joe and Bill started production.

All the bending of the handles had to be done by hand and required the strength of two men. It was necessary for Bill Seidemann, who because of his previous experience and training had assumed charge of production, to knock on the wall of the small office as a distress signal to Joe, who had taken over the sales and administration end of the business. Thereupon the two men, stripped to the waist, would spend several sweat-filled hours around the bending block. Back and forth they worked, around and reverse, changing the jig pin and back and forth again and again, bending cold steel into the various shapes needed. It was a task that required unflagging determination and Joe and Bill had what it took.

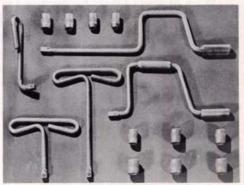
When tired muscles demanded relief Bill found a source of help at a mission a short distance away, and would hire for fifty cents an hour some down-and-outer willing to put in an hour or so of manual labor. It was frequently unreliable help, but it served the purpose until a full time helper could be hired.

Within six months they had produced enough sets of Snap-ons to fill the C.O.D. orders that were taken before the company was formed. Practically all of these sets were accepted and paid for despite the long delay in filling the orders. Now Joe and Bill were really in the wrench manufacturing business.

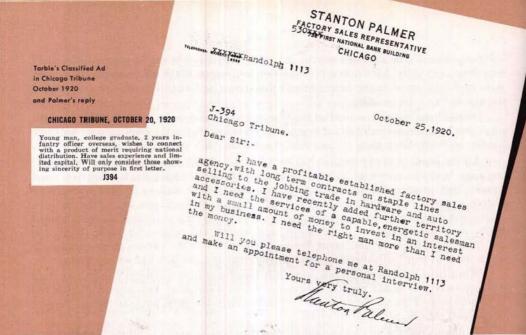
The original Snap-on socket wrench set contained five handles, the Long Speeder, Rim Brace, Long Tee, Short Tee, and Offset. The ten sockets ranged in size from $\frac{1}{16}$ " to $\frac{7}{8}$ " and the square drive of the handles and sockets was $\frac{1}{2}$ ". Throughout the years to the present day the $\frac{1}{2}$ " square drive series has remained basic in the Snap-on line and in the lines of competitive makes.

The two working partners had done some exploratory sales work in the Milwaukee area and through a local agent made some sales to distributors in Wisconsin. However, they had foreseen early the need for more sales. In March 1920, a month before they started business, they placed an ad in the Chicago papers for a factory sales agent who would sell the distributor on a commission basis as was the custom at that time.

Stanton Palmer, who early in 1920 had established himself as a factory sales agent in Chicago, saw their ad and was ready and waiting for just such an opportunity. Those tools fitted right into his dreams of better tools for the great industrial growth he saw ahead, particularly in



Original Snap-on Wrench Set



the automotive field. He met with Joe Johnson and Bill Seidemann and was given the sales rights to five midwestern states. Even though Stanton had six other items which he was selling to the distributor on a commission basis, he was so enthused over Snap-on he dropped practically everything else and put all his efforts behind Snap-on Socket Wrenches.

He hired two salesmen to cover Texas, Missouri, and Kansas, paying them \$75 a week and their expenses during this time. Unfortunately, they sent in more weather reports than they did orders from the distributors. Before coming to Chicago, Stanton spent several years as a salesman with the Shapleigh Hardware Company of St. Louis and they were his friends. When he showed them the Snap-on line, they told him that only "tight" socket wrenches were acceptable to the mechanic and they were selling them by the carload.

To refute this contention, Stanton went out and sold ten sets of Snap-on wrenches himself to mechanics in St. Louis and, as a result, Shapleigh gave him an order for thirty sets. The custom was for the distributor to buy three times what the missionary man turned in for them to ship. Things were not going too good but Stanton was not discouraged. He was waiting for the Automotive Accessory Association to hold their big annual get-together in Chicago at the Coliseum the last week in October. He felt sure that the automotive people would go for Snap-ons in a big way.

It was at this time, October 26, 1920, that Newton E. Tarble first met Stanton Palmer. It came about in this way:

After returning from overseas at the close of World War I, Newt had been selling lithography and felt that he was not progressing to his entire satisfaction. He was looking for something where he could become a part-owner and get in on the ground floor. He

decided to run an ad in the Chicago Tribune. Sixty-eight replies came in. Among them was a letter from Stanton Palmer asking him to come in and see him.

Accordingly, Newt says: "I called on him at his small office in the First National Bank Building in Chicago. He immediately appealed to me as a man of unusual intelligence with kind, twinkling eyes and a warm personality. He told me his story and I told him mine, and he repeated again a statement he made in his letter to me, that he needed the right man more than the money."

"He told me he had spent considerable money on promoting Snap-on, carrying two salesmen on his payroll with rather disappointing results. He did feel, however, that the Automotive Accessory Distributors, when they saw the display of Snap-on tools at their Chicago convention the following week, would really stock and push the line. I signed up with Stanton with an investment of \$2,000.00. We started out on a 60/40 partnership basis."

Stanton and Newt reserved quarters at the old Congress Hotel on Michigan Avenue and arranged for a booth at the Coliseum for the Automotive Accessory Association Distributor Round-Up. They spent a week tending the Snap-on display booth at the Coliseum, meeting buyers and entertaining them at their Congress Hotel quarters. Joe Johnson and Bill Seidemann brought Cowling and Hanson, the two principal Snap-on stockholders, down from Milwaukee and they spent most of the week at the show. The results were very meager to say the least. About all they heard was the big demand the distributors had for tight sockets of established brands. Snap-on tools were unknown.

Then Stanton and Newt decided to go to St. Louis the following week and exhibit at the National Hardware Convention. Stanton felt the wholesale hardware people were more stable and better financed, and they would make contacts with some big eastern jobbers so that they could get their sales going. They had quarters at the Statler Hotel and met a lot of Stanton's old friends and jobbers, but the week went by with very disappointing results. Even Frank Wood, the buyer for Shapleigh Hardware Company and a personal friend of Stanton Palmer's called Newt to one side and told him very seriously that "Stanton Palmer was one of the finest men he had ever known and associated with, but he was a dreamer." He said, "Stanton thinks the mechanics are going to bother snapping those sockets on and off the handles. Those sockets will roll all over the floor in the garage. The mechanic wants and buys tight socket wrenches." Newt replied: "I don't agree with you. I think these Snap-on wrenches will sell, but we have not yet come up with the right way to get them into the hands of the professional mechanics."

So, the big hardware meeting was over. Stanton and Newt "struck out" with the Automotive Accessory Distributors as well as the wholesale hardware people and took the Wabash night train back to Chicago. At that point things were looking rather sad.

The first decade of progress 1920-1930



A BIG TURNING POINT which might well come under the heading of destiny, came that night in the observation car. To quote Newt, "At that time, I was a babe in the woods on national distribution of products, wholesale problems, dealer mark-ups, inventories, collection of accounts, etc., so I had no idea whatever that an off-hand remark I made that night on the train would lead up to the formation of the Motor Tool Specialty Company, a direct selling operation, and help build the Snap-on Wrench Company into what it is today, one of the largest industrial and mechanic hand tool companies in the world." Here is pretty close to their conversation on the train:

Newt: "Stanton, didn't you say that in your missionary work you could sell approximately 7 out of 10 mechanics a set of Snap-ons if you could get an

honest interview with them?"

Stanton: "Yes. I'm positive I could. Do you disagree with me?"

Newt: "No, certainly not, Stanton."

Stanton: "Then, what's on your mind?"

Newt: "These Accessory and Hardware jobbers are not going to help us unless

we can raise a lot of capital and literally force our Snap-on tools off their

shelves. I say let's sell the mechanic in person to person calls."

Stanton: (AFTER RUBBING HIS CHIN)

"We can try it but we are not going to sell direct under the name of Snap-on Wrench Company."

Newt: "Why not?"

Stanton: "Because distributing merchandise from the manufacturer to the wholesaler to the dealer to the public is the logical way to do it. The jobber carries the cost of inventory and the dealer accounts. We may need these jobbers later and if we sold direct under the name of Snap-on, they would boycott us. Also, do you realize how much capital it would take for us to do the job ourselves at this point?"

Newt mumbled something about maybe we could start easy and do one branch at a time.

"I think the idea is worth trying, but let's coin a name under which we can sell direct so if it flops we haven't involved the Snap-on name."

Many names were discussed. Stanton came up with the one that seemed best adapted for the purpose—Motor Tool Specialty Company, a partnership owned by Stanton and Newt. Immediately upon arrival in Chicago the next morning they telephoned Joe Johnson and Bill Seidemann in Milwaukee to ship 200 sets of wrenches to Stanton's home on the near north side of Chicago.

The arrival of a truckload of mysterious boxes at the respectable Palmer residence caused many curious glances from neighbors. This was the era of the basement speak-easy and bootleg liquor during the period of prohibition, and the disappearance of that shipment into the Palmer garage and basement looked very suspicious, indeed.

Stanton and Newt were too busy to be concerned about the neighborhood reaction and with some hastily printed invoices and samples in hand began peddling wrenches to garage mechanics on Michigan Avenue which was then known as Automobile Row.

They had coined a phrase that they used when things broke right for them-"The angel

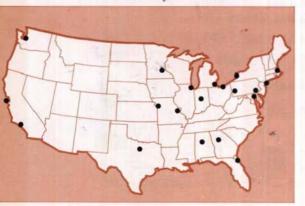
flapped her wings." This was the first big flap.

As Newt tells it: "I spent one-half of our first day with Stanton learning his opening sales approach, demonstrations to groups, and how he closed the sale. He would demonstrate the 5 handles and 10 sockets on a 20" x 22" green billiard cloth, which we later called the



"magic green cloth." He would treat the handles and sockets as though they were Tiffany silverware. He would take a file and demonstrate that the sockets were so hard the file could not break through the cyanide case hardening. He would show how quickly and easily the different sized sockets could be interchanged on each handle and how five handles did the work of fifty. At the end of the demonstration, in a casual way he would ask one of the mechanics in the group who had shown the most interest if he would please get the names of all the mechanics present. He said he could see that most were sold on these new type wrenches and wanted a set and said he did not want them borrowing tools from each other. Then he would ask the mechanic who seemed most interested to collect \$2.00 from each man and Stanton promised to personally deliver the tools the following Saturday.

"After that first day, we separated each morning with a bet of \$1.00 between us as to who could sell the most tools that day. Our sales ran from 20 to 39 sets each per day. In those days we gave a 15% discount off list and the tools cost the mechanic \$7.65 a set. Soon after, however, we abandoned the introductory discount and sold at list. I was lucky and had the biggest day—39 sets. That night when we met at our small 10 x 12 office in the First National Bank Building, Stanton spoke up and said, 'Newt, we will just make the Motor Tool Specialty Company a 50/50 partnership from now on instead of 60/40. Direct to the mechanic is the sure way to sell tools in volume.' We sold in 16 working days around 650 sets of Snap-on wrenches ourselves—more than had ever been sold before. On Saturdays, helped by Stanton's son, Rogers Palmer, we delivered the sets. No man could tell us that this was not the way to sell wrenches of Snap-on's class and quality. We were the Tiffany in the field.



"Just before Christmas, 1920, we took a map of the U.S. and circled 20 cities where we wanted the right to put in Motor Tool Specialty Company branches. You see, at that time the Motor Tool Specialty Company was operating under Stanton's original factory agent's agreement with Snap-on for five midwestern states only. Johnson and Seidemann were im-

pressed with the results of our direct selling experiment. We asked them down to see us in Chicago and showed them the map of the U.S. with the 20 cities circled and asked them if we could go ahead at our expense and put branches in all those cities. They agreed." Then Newt reminisces: "I took off for Philadelphia January 7, 1921, and started three branches—one in Philadelphia on January 10th, one in New York one week later, and one in Boston the following week. Frank Hoster was our first branch manager. He was given the eastern half of Pennsylvania and bought 150 sets of Snap-ons sight draft attached to bill of lading. That evening, Stanton and I indulged in what we later came to call our famous \$19.50 phone conversation from Philadelphia, which went something like this:

Newt:

"Stanton, believe me the mechanics buy wrenches in Philadelphia just like they do on Automobile Row in Chicago. I went out with a young man by the name of Hoster today and in three calls, two to small garages and to a big Reo service station, sold 25 sets in about two hours. Hoster will clear these orders and he is starting in business from the garage back of his home until I can return here in about 30 days to see how he gets along. I will go on to New York tonight and then to Boston where I will do the same thing and hope to be back in Chicago in about 10 days. Now, Stanton, here is a suggestion-Cowling and Hanson, the principal investors in Snapon seemed rather discouraged at the results we got at the Automobile Accessory Convention in Chicago. We all



know they are merely in the Snap-on deal as an investment. If an offer was made to them, you and I along with Joe and Bill might be able to buy their stock in Snap-on Wrench Company for what they paid. Then we would have control of our source of supply."

Stanton: "My first reaction is good, but are you sure you can get this same kind of selling results in New York and Boston?"

Newt: "Stanton, selling Snap-ons direct to garage mechanics is the only way we can hope to get volume. And, as I said, they will buy in New York and Boston the same as they have here in Philadelphia and Chicago."

Stanton: "Your name and mine are already on considerable paper at the bank, which we have discounted, and we will be on more as we go along. Don't forget that."

Newt: "I feel sure we can put in branches at all 20 points on our map as fast as we can finance them."

Accordingly, upon Newt's return, Stanton arranged a meeting with Cowling and Hanson at the Illinois Athletic Club in Chicago, at which time their interest in the Snap-on Wrench Company was purchased on mutually agreeable terms. All shares of stock in Snap-on were now owned by Johnson, Seidemann, Palmer, and Tarble, each holding an equal number of shares.

On February 21, 1921, Stanton Palmer and Newton E. Tarble were elected to the Board of the Snap-on Wrench Company, and the new officers were Stanton Palmer, President; Joseph Johnson, Vice President and Treasurer; Newton E. Tarble, Vice President and General Sales Manager; and William A. Seidemann, Secretary.

At this same meeting a contract with the Motor Tool Specialty Company, the partnership owned by Palmer and Tarble, was approved, making Motor Tool the sole sales agents for the Snap-on Wrench Company.

This arrangement was good for all concerned because it meant that all four Snap-on Stockholders were now active in either administration, finance, sales or production. It also meant that the Motor Tool Specialty Company Branch Managers would have an assured future because production and sales were completely integrated. Motor Tool Specialty Company had a controlled source of supply and Snap-on Wrench Company had an exclusive sales arm for their products. All of this had been accomplished less than a year after the establishment of the Snap-on Wrench Company. The angel had flapped her wings again.

Shortly thereafter, Motor Tool Specialty Company leased new and expanded quarters at 14 East Jackson Boulevard, Chicago. This also became the Office headquarters for Snap-on Wrench Company, and later for Blue-Point Tool Company and Palmer-Tarble Sales Company. Joe Johnson moved to Chicago in 1924 to provide a liaison between Motor Tool Specialty Co. and the Snap-on factory in Milwaukee. Bill Seidemann remained in Milwaukee to keep the pace and quality of production moving upwards to meet growing demands. Every week Joe would spend one or two days in Milwaukee with Bill correlating the production needs developed by the Motor Tool salesmen. Bill in turn would come down to Chicago when Newt returned from one of his long promotional and organizational road

trips. The four founders would then sit down together to hack out answers to the rapidly developing problems and to compare notes. Joe comments, "Bill Seidemann's contribution in meeting production schedules, as well as the increasing needs for expansion, and his solid leadership in solving the many problems of a growing factory were a tremendous contribution to his Chicago associates."

There was a constant demand for diversification of the product line. During those years, Stanton Palmer proved to be an inspiring leader. The experience he had previously gained as an accountant at Armour & Company and as one of their branch house managers plus his experience selling tools and automotive supplies at Shapleigh Hardware Company gave to this young, growing company the sound business background that contributed to the building of a solid foundation for the future. To his associates he seemed to work financial miracles, and his organizational know-how amazed them. Stanton had an unbounded confidence in the future of the company, and as Joe says, "It was truly a privilege and an inspiration to know Stanton and to work closely with him for ten years, until his death in 1931. We spent much time together every day, and I am happy that it was my good fortune to help carry on in the organization the principles which he exemplified."

Although Snap-on's original encouragement came from the first batch of orders sold to mechanics before the new interchangeable sockets and handles were a reality, direct to mechanic distribution didn't attain any real significance as a sales pattern until Newt Tarble started his personal nation-wide campaign for the establishment of direct to mechanic branch sales offices for Motor Tool Specialty Company. It was then that the basic pattern for the growth and success of the Snap-on organization was established. Joe worked closely with Newt, especially on matters involving factory cooperation with sales as the "direct to mechanic" distribution technique clarified. Many suggestions and ideas came from mechanics for additional tools and tool improvements. These were collected, analyzed, and checked in the General Offices at Chicago, and then submitted to Bill Seidemann by Joe on his weekly trips to Milwaukee. Thus, the four founders worked in close collaboration. Joe comments, "After conceiving the Snap-on idea, I was indeed fortunate to be in Chicago during those years with Stanton and Newt, both men my seniors in age and experience, and to be right in the thick of the development of sales plans and procedures. It was an experience that proved tremendously valuable to me during the balance of my service with Snap-on. As the youngest

of the founders, I had some previous selling experience, but it was a revelation to me to see Newt in action on the sales front—both in the selection and training of branch sales managers and in action at the Motor Tool annual sales conventions. There was always a tremendous drive for improved sales coverage, better customer service, and a compelling urgency to do an ever better job and do it now. Even today many of the sales policies and selling procedures developed and instituted by Newt are continuing to contribute to the growth of Snap-on. Although Newt has not been in Snap-on's front line sales management since 1935, he has continued as a Director who maintains a keen interest in the affairs of the company. I wouldn't want to have missed the active day-to-day years we had together. They were fascinating, stimulating, and rewarding."

Naturally, everything didn't work out exactly as they hoped. For instance: during 1921, it was agreed that some effort should be made to create a market for Snap-on tools to the individual car owner for do-it-yourself repairs on his own car. The plan was to ask branch managers and salesmen to sell these tools packaged in an attractive sheet metal merchandiser to the hardware dealer and the accessory dealer, the branches thereby functioning as distributors. To do the job properly, surveys were made of each make of car on the market at that time. Special sets of three or four handles and five or six sockets were assembled that would fit 80% of the nuts and bolts on each car.

An alphabetical "What Car Do You Drive" booklet was furnished to the dealers by which they could pick out a special set of tools for each make of car. For the purpose of selling to the dealer rather than direct, Stanton and Newt formed another partnership known as the Palmer-Tarble Sales Company. It seemed to be a great idea, but it didn't work because the retailers thought the tools were too expensive and that they were professional tools. They would invariably tell the prospective customer that he should buy cheaper wrenches for his own use.

The years from 1920 to 1930 were exciting trial and error years. The Milwaukee factory had to be expanded to meet growing sales, and in April 1921, was moved from the small Reed Street plant to 13,500 square feet at 1270 South Pierce Street.

The Snap-on line which started with five handles and ten sockets was constantly expanded as the Branch Managers and their salesmen uncovered a demand from mechanics for additional types of high quality specialty tools as well as needed improvements in the regular line. The Company had a decided advantage over competitors because of such close direct contact with the mechanics and could thus anticipate their needs.

The first additions to the line were a Universal Joint and a Ratchet Attachment. The latter item, originated and designed by Joe Johnson and Bill Seid-

emann was the first ratcheting attachment made for use with interchangeable socket wrenches and was the forerunner of the popular ratchet adaptors of today. It was also the first Snap-on tool to be patented.

Other new items followed and when the first Snap-on catalog was issued in 1923, a Sliding Bar Handle, 2 Extension Bars, 3 additional sizes of Hexagon Sockets, 5 sizes of Flexible Sockets, and



First Ratcheting attachment made for interchangeable Socket Wrenches

9 sizes of Square Sockets had been added to the original 5 handles and 10 sockets.

In addition, a completely new series of Heavy Duty Socket wrenches and handles having a $\frac{5}{8}$ " size square drive was announced along with an adaptor which permitted the use of the larger Heavy Duty Socket on the $\frac{1}{2}$ " square drive handles.

A series of Screwdriver Bits designed for attaching to the $\frac{1}{2}$ " square drive handles and two split-tip gripping-type screwdrivers were also shown. Just one other tool was shown in this first catalog and it would seem to be of more than passing interest inasmuch as it was the first "Special" tool made by Snap-on.

This was a specially designed socket with an ovalized opening shaped to fit the spindle nut and adjusting cone on Model T Ford front bearings.

In the years that followed and up to the present, the production of specially designed wrenches and tools has developed into a very significant factor of the business. As the machinery of industry and transportation has grown in complexity, the need for such "Specials" has increased

accordingly.

Returning to the early days we find that mechanics had found Snap-on wrenches so dependable that they began asking for other types

Special Socket for Model T Fords

of tools and the Motor Tool Specialty Company decided to add a line of Open End wrenches and a series of Chisels and Punches. These tools were first made for Motor Tool by other firms and because of a distinctive blued finish were sold under the name Blue-Point.

Demand for these tools continued to increase and the result was the formation of the Blue-Point Tool Company, which operated under the same management as the Motor Tool Specialty Company. The new company manufactured Boxockets and other specialty items in a plant located at Racine, Wisconsin.

In 1921 and 1922, additional Motor Tool Specialty Company branches were opened in quick succession in Dallas, Pittsburgh, Cleveland, St. Louis, Detroit, Chicago, Los Angeles, Atlanta, Minneapolis, Indianapolis, Seattle, and San Francisco.

On July 17, 1924, a young man made his way from an employment office in Chicago to the offices of Motor Tool Specialty Company. He was unemployed and needed a job. His training and experience was in the field of branch office accounting. His name, William C. Nemitz. His future destiny, though he little envisioned it at the time, Vice President and Treasurer of Snap-on Tools Corporation at his retirement in 1960.

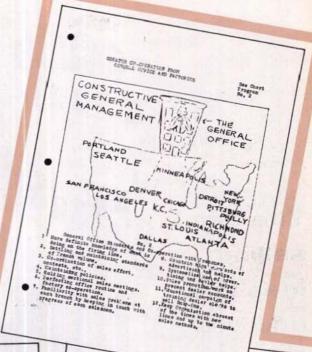
In 1922, the first Branch Managers' sales convention was held at the Dearborn Hotel in Chicago. Most of the branch managers had never met each other, and came from all walks of life. Most were great individualists. It was very apparent that some yardsticks had

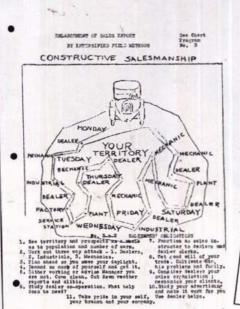
to be established to gauge sales efficiency and to set standards. Newt had started a rather unrelated series of sales bulletins to the branches as a sort of idea exchange based on the experience he had gained in working with the branches on his regularly scheduled trips. But if ways were not found to guide the branch management rather than regiment it, a great opportunity was going to be muffed.

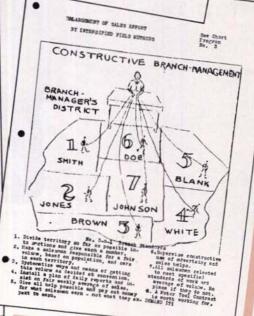


First Branch Managers meeting December 1922

Charts used at First Sales Convention in 1922







The basic selling idea that built the Snap-on business







In the 1920's Snap-on introduced not only a new and dramatically different line of tools, but a radically different method of sales and service (direct to the mechanic). This policy was diametrically opposed to the trade practice then in use. Therefore, it would require a high degree of thoroughly trained individualized salesmanship to capture a customer and get repeat sales.

Thus there gradually came into being a basic selling philosophy which Newt called "Plan your work and work your plan." By 1925, a 154 page "Bible" became the approved method of

First Sales "Bible"

training sales personnel. It has been revised many times since but the basic "Planned Selling" policy accounts for the successful sales organization in existence today.

Specifically, the sales force is trained to follow an outline somewhat as follows:

- 1. Using the planned sales presentation which consists of .
 - A. Opening remarks to get the mechanic's interest, setting up the three wing cut-out and displaying tools on the magic green cloth.
 - B. Sound sales presentation designed to answer the mechanic's questions before they are asked.
 - C. Proof in the demonstration that the value of the tools was far in excess of what we intended to ask for them before stating the price.
 - D. Closing remarks so worded that the mechanic is most likely to say "Yes, I want them."
- 2. Establishing a work schedule.
 - A. Organized route calls for efficiency.
 - B. Service at regular intervals to prove dependability to the customer,
 - C. Need lists for definite items to sell on every call.
 - D. Carry samples on every call to sell and to build future needs and sales.
 - E. Carry demonstration displays.
- 3. Featuring Service and Replacement.
 - A. Ask for replacements of merchandise to prove sincerity of our quality guarantee.
 - B. Check tools sold on previous trips to help the customer stay up to date and to make sure that he has seen all the tools that can help him.
 - C. Point out ways that good tools make the mechanic's job easier and help him to earn more.
 - D. Regular and dependable service.



To get planned selling started and keep it in operation tested Newt's ingenuity and tenacity to the utmost. Some of the older branch managers resisted it because they felt that

you couldn't make parrots out of salesmen. Others felt that because of manpower turnover it took too much of their time in training men only to have them leave after a short time. Newt was fortunate in having one young and aggressive manager, Ted Glenn, who believed in planned selling implicitly, so the two of them made this basic idea a crusade. The outstanding result obtained by the branches using Planned Selling eventually proved its worth beyond any doubt. That's why it has lived through the years and why it is generally agreed in the organization that "Plan your work and work your plan" was Newt's crowning contribution to the success of Snap-on.



Ted Glenn

In 1924, Stanton and Newt received a visitor. He was E. William Myers from Newport, Pennsylvania, and he manufactured a line of quality pliers under the name of Vacuum-Grip. His plant — The Forged Steel Products Company — had forging equipment and Motor Tool needed a line of good pliers. It was found that Bill was having trouble selling his quality pliers through the distributors, just as Snap-on sales had first experienced.

A contract was made with Bill for non-exclusive sales rights of his tools for the United States, and he, in turn arranged to manufacture Blue-Point end wrenches, punches and chisels for Motor Tool Specialty Company.

By 1925, there were 17 branches and 165 salesmen. New products and expansion of existing lines were taxing both production facilities and working capital.

Surprising are the ways by which new products are developed. In 1925, Joe Johnson conceived the idea of making a few sets of miniature wrenches — duplicates of the original set of sockets and handles, for gifts to the branch managers. He reasoned that the novelty of these tiny tools would create interest and stimulate the sale of the real product.

Not only did these miniature sets create interest, they also created a demand and it became necessary to produce them in quantity. The first sets announced commercially in the 1925 catalog consisted of a Speeder, Slide Bar, six Hex Sockets 1/4" to 7/16", and 2 Square Sockets 1/4" and 5/16" in a small metal case. Marketed as Snap-on "Midget" wrenches this

%2" drive line (later modified to ¼") of sockets, handles, and attachments, now greatly expanded, has ever since been one of the basic series in the Snap-on line.

Shortly thereafter another series with a 3/8" square drive was developed. Because of the slim design of the sockets and handles, this series was given the name "Ferret."

This series had five Hexagon Sockets ranging from 3%" to 5%" in size. Automobile engines and machines were developing into more complex units with closer tolerances and more difficult access problems, and the new Ferret sets quickly became accepted by mechanics as necessary tools.

The transfer of the Blue-Point manufacturing facilities from Racine to Milwaukee, came about in 1926 in order to more efficiently coordinate manufacturing and shipping operations of the Snap-on and Blue-Point plants.



Blair Jardine

Expansion of the sales organization continued. In 1927 the first Canadian branch of the Company was opened in Montreal, under the guidance of Ted Glenn. Ted Glenn, who at the age of nineteen began his career with the Company back in 1921 as a salesman at the Pittsburgh Branch, had on August 15, 1925, been promoted to the position of manager of the Boston Branch. Because of his youth, it was stipulated that it was on a trial basis. He was so successful that the stipulation was rescinded. Ted continued to manage the Boston Branch, and was also responsible for the Montreal Branch. Shortly he appointed a young Canadian,

Blair Jardine, as manager. Blair continues today as a key man in the Canadian operation.

Among the venturesome young men who joined the fledgling organization was Stanton Palmer's son, Rod Palmer. Rod had worked as a delivery boy and junior salesman at Motor Tool, Chicago Branch, over week-ends and during the summer in 1921 and 1922, when he was a high school boy. Upon his graduation from Swarthmore College in 1926 he returned to the Chicago Branch as a salesman. He took over the managership of the Buffalo Branch in 1928, and shortly added to it responsibility for the newly established Toronto Branch. In 1930 he returned to the General Office in Kenosha, Wisconsin, and worked as an assistant to Joe Johnson in the Treasurer's Division. In 1932 he was transferred as assistant to Newt Tarble in the Sales Division.

As the Company grew bigger it began to look over the top of national boundaries and realized that there were possibilities for Snap-on in the export market. In 1927 the decision was made to attempt to sell its products to leading importers and dealers abroad and the first Snap-on Export Department was established in New York City under the direction of an experienced export sales agent, E. D. Allmendinger.

One day in the month of August 1929, two young men sat on the visitors' bench in the Chicago general office. This was their first meeting and each expected it to be their last. A job was open as bookkeeper and each had been sent for an interview by the different schools of Accounting at which they had been studying.

Both of these men needed the job and wondered which would be the fortunate winner. The names of the men were Victor M. Cain and W. Walter Daniel, and both were destined to become important figures in the Company's future.



Their thoughts, however, were of the immediate present as they waited for the fateful interview.

Walt Daniel was the first to be called into a private office where Bill Nemitz met him and discussed the job and Walt's qualifications. When Walt left he walked on air, buoyed up with the knowledge that the job was his, yet feeling very sorry for his competitor.

When Vic Cain's interview came, the situation repeated itself and, in turn, he left feeling sorry for Walt and with the promise of the job filling him with happy assurance.

It was not until they met shortly after as co-workers that they learned there were two similar jobs open. So it was that Vic Cain became bookkeeper for Blue-Point Tool Company and Walt Daniel was given the job of bookkeeper for Motor Tool Specialty Company.

Vic had come to Chicago after experience in the Publications Department at the University of Illinois and correspondence study of accounting, seeking his future in the accounting field. Walt had come to Chicago from Americus, Georgia, seeking the same goal. Neither had any realization of the many and diverse challenges and experiences which awaited them and would lead Vic eventually to the Presidency of Snap-on and Walt to Vice President in Charge of Manufacturing.

With the 30's came the depression

FOR TEN YEARS Snap-on and Motor Tool had progressed rapidly, and by 1930 were rolling along at an increasing pace. Twenty-six branches had been established by Motor Tool and 294 salesmen were rendering a regular service direct to the mechanic trade.

"From Factory - To Branch - To You" became one of the slogans which helped promote the acceptance of the product and service.

A period of trial and error in the establishment of an adequate branch accounting system had finally been resolved satisfactorily by Stanton Palmer and Bill Nemitz.

In brief the branch organization plan worked as follows:

- Snap-on Wrench Company, the manufacturing division, billed tools to Motor Tool Specialty Company, the sales division, which, in turn, billed and consigned to the Motor Tool branches.
- Motor Tool Branch managers were given a drawing account and expenses against their gross profits.
- All receipts were banked to the credit of Motor Tool Specialty Company's main office in Chicago.
- 4. All salesmen paid their own expenses and received commission on their sales.

Looking toward a wider market for its products Snap-on began developing business with industry, selling direct to large and small manufacturing plants, developing special tools for industrial use and establishing a foundation upon which has been built the Industrial sales organization of the Company.

At the time, most of this industrial business was handled directly between the factory and the industrial customer by Chris Tennyson, who had previously supervised the Blue-Point production. Bill Seidemann was also spending much of his time making sales contacts with important industrial buyers while Joe Johnson was actively promoting the Snap-on line to large automobile manufacturing plants in Detroit and making long-lasting acquaintances with men of stature in the production and service divisions of those companies.

The Snap-on factory was bursting at the seams, and outside suppliers had their hands full taking care of orders brought in by the Motor Tool Branch offices.

Here was a business that began in the minor depression year of 1920 and had grown to an annual business of \$819,000 in 1925 at retail prices; \$1,518,000 in 1928; and, in 1930, ten years after the start, sales reached \$1,835,679 at retail.

On April 7, 1930, Snap-on Wrench Company and Blue-Point Tool Company, both Wisconsin corporations, were merged into one company known as Snap-on Tools, Incorporated, a Delaware corporation.

Soon the effects of the depression of the early 30's made themselves evident and, as with all businesses at that time, sales reflected the blows of the deteriorating economy, working apital shrank to an embarrassing level and the Company had extended itself at the bank in order to finance the new plant and keep the branch expansion going.

Then tragedy struck. Stanton Palmer suffered a fatal heart attack and passed away on April 13, 1931. He was thus deprived of the satisfaction of seeing the Company weather the storm of depression and enjoying the fulfillment of his dreams of its undoubted success.

The contribution which Stanton made to the growth and stability of the Company can scarcely be adequately assessed. His knowledge of business management and the practical experience he had accumulated in his previous connections, his shrewd analysis of the problems of the moment, and, above all, his integrity made his passing a great personal loss to his business associates and brought about the crucial problem of his successor.

The capital structure of the Company was over-extended. The receipts from Motor Tool Specialty all went toward expansion of branch inventories and Snap-on production facilities. The Company owed substantial sums to banks. Trade acceptances were owed Bill Myers' company — Forged Steel Products.

In this situation, Mr. DeForest Richards, president of the Boulevard Bridge Bank was asked to come on the Board and help
work matters out. There was no doubt that the Company could pay off its indebtedness if the banks cooperated.

Problems of finance and of presidential succession finally were resolved by moves through which Snap-on Tools, Incorporated, acquired the assets of Motor Tool Specialty Company in 1931 through issuance of Snap-on stock to Newton E. Tarble and to Stanton Palmer's estate. Bill Myers was made President of the Company. Other officers were Joe Johnson, Vice President and Treasurer; Newton E. Tarble, Vice President and Sales Manager; and, William A. Seidemann, Secretary and Works Manager.



Bill Myers

For the next three years, progress became a slow, laborious climb. Prosperity, it was said, was just around the corner, but the corner seemed very far away.

Bill Myers worked hard to secure a profitable operation and insisted on economies to the point of austerity at all levels of the business.

Finally, certain policies which he advocated, especially one pertaining to the expendability of the old guard branch managers,

became irreconcilable with Newton Tarble's convictions and led to Newt's decision to resign. As he says, "Since we were not seeing eye to eye and not working together harmoniously, I resigned in May 1935, and Rogers Palmer, Stanton's son, who had been my assistant for years and in whom I had the greatest confidence succeeded me as Vice President and General Sales Manager. However, as a principal stockholder, I remained on the Board of Directors and have always kept an active interest in the affairs of Snap-on.

"Bill Myers died in January, 1939, and Joe Johnson, one of the original founders, succeeded him. Joe has ably led the Company to its present heights, record sales and profits, and he deserves full credit for the wonderful job he has done in developing the men who so ably conduct the company today."

Over the years, the feature that has made Snap-on Tools unique in the industrial scene has been its marketing organization and direct selling method. This was a natural outgrowth of the early success of direct selling experiments in 1921. Changes in technique and sales approach have been gradual, but the direct selling method is quickly responsive to changing conditions in the market place, and Snap-on has been able to adjust constantly to these changes in the national economy.

The stock market break of October, 1929, set the scene for the decade to follow—1930-1939. These were the "depression years."

The low income levels and downcast spirits, the general atmosphere of hopelessness and defeat which marked those early depression years are unbelievable to anyone who didn't live through them. Skilled automotive mechanics were making \$10, \$12, or \$15 a week. Next week's job was always in doubt, and personal credit, particularly to the wage earner and the small business man, was practically non-existent.

That is when Motor Tool's unique sales plan, selling Snap-on's direct to the customer, met its first real test. It was reassuring to the management of that day to find that the young organization had a vitality and resistance to depression which was far beyond the general average of industrial businesses. The first five months of 1930 actually showed an increase over the prior year and set a new record in sales. Beginning in June 1930, a gradual decline in sales occurred until the year 1932, when total sales represented a drop of 55% from the all-time high of 1929.

In July 1933, total national sales began to turn upward, and two important developments in sales technique assisted in the slow

Sales development

return to prosperity. The depression had forced the sales managers to search for new answers to the exaggerated sales resistance problems. The first development was the "Needs List." Rod Palmer, who became General Sales Manager in 1935, relates, "In our search for answers to the garage mechanic's problem of 'no money,' I was working with a salesman in whose territory was a large Chevrolet garage where, in a joking spirit, he had passed the time by writing up 'dream orders' with his customers. In other words, when he found the mechanics sitting idly around this shop waiting for work, he would say something like this, 'Sure, everybody is in about the same boat today—no money, but when you do get around to buying again, what are you going to need?' So the mechanic customers and the salesman would talk about future needs and the salesman wrote these items on a blank order form 'just for fun.' Here was our answer. It created a positive attitude to replace the negative of 'no money' and developed a program of buying, starting often with a purchase at the time of the call.

"The Needs List quickly caught the fancy of the entire organization. Special forms were printed for listing mechanics' needs and other forms for listing shops' needs. Thus, in addition to being a list of admitted needs for the mechanic customer, it soon became a route list, record of purchases, and a form on which the selling statistics for that territory were kept. For easy daily reference loose leaf binders were supplied."

The shortage of money also led to the development of credit selling on a weekly, time payment basis. This is still known as "T.P." selling in the Snap-on sales organization. There was much controversy on this subject of credit selling within the organization. Extending credit to mechanics was a hazardous practice in the depression years. However, it proved not only a sound sales policy, but created lasting good will with our mechanic customers whose credit was not honored by many businesses in the middle 1930's.

The year of 1935 marked the mid-point in the depression years. Due to the serious economic situation that existed at the time, branch manager sales conventions had been abandoned. Also, there had been a good many changes in branch management and sales policies. As a result, the close acquaintanceship between branch managers that had been so helpful in our formative years and was such a powerful asset in Snap-on's growth had been, by necessity, temporarily sidetracked.

The Sales Convention of 1935 was a great success in rekindling a spirit of comradeship and competition within the organization. It also focused attention on the fact that the number of salesmen had declined during the past five years. National totals were 300 sales-



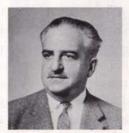
1935 Snap-on Sales Convention

men in 1930, and 240 salesmen in 1935. At the same time, one or two branches had shown growth by increasing sales penetration with corresponding increases in sales.



Harold Miller

The Boston Branch under Ted Glenn and Harold B. Miller took a leading position in national sales and pointed the way to developing added sales territories. The program increased individual sales performance by allowing closer territory coverage, more frequent calls, and better customer service. It also reduced travel costs while increasing sales commissions. Aaron Genser, now Montreal



Aaron Genser

sales manager, proved these basic principles by leading the entire sales force for several years.

At the same time, Snap-on developed an index rating to measure potential sales which turned the spotlight on many areas that had territories three and four times larger than necessary. Using the standards initiated in Boston, Snap-on direct sales coverage increased while territory areas decreased.

It was soon apparent that additional territories and salesmen also required additional sales supervision. In 1935 the concept of "field sales manager" had not yet been developed. Jimmie Dennison served in this capacity in Boston, as did Everett Robertson and John Schildknecht in Chicago and Bob Smith in Los Angeles. Beyond those three branches, there was no pattern for additional field sales management.

Fieldmen, under the direction of branch managers, therefore, were appointed in those areas that needed additional sales coverage. The result was a rapid growth of salesmen from 265 in 1935 to 556 in 1940—along with a doubling of sales volume in the same five year period. Customer service was greatly improved. Salesmen called back on each shop every two weeks—in some cases, every week—instead of once in four to eight weeks as in the past.

World War II and the buffeting of the next five year period had a great effect on the selling methods and sales of Snap-on tools. Because of its high quality standards, Snap-on became a preferred source of hand tools for military use. At the same time, Snap-on also served all types of transportation in the civilian market with hand tools for maintenance and production. It was important to Snap-on's existence to keep the direct selling organization operating and serving the civilian market.

Fortunately, Snap-on salesmen qualified as tool experts because of their knowledge of tool adaptations and complicated applications. For example—the U.S. Army Ordnance Headquarters selected a group of Snap-on-salesmen to travel to all Ordnance Depots for the purpose of classifying and identifying stocks of tools then on the shelves. The program saved millions of dollars for the government by releasing tools that had been poorly classified in these government warehouses. Snap-on representatives were also allowed gasoline rations to travel reasonably, and Snap-on factories were able to get materials for civilian distribution. The priorities for maintaining civilian farm and transportation equipment became almost as high as for military requirements by the close of the war. Snap-on had rapidly increased its manufacturing capacity during this period, and the stockholders can be proud of the role that Snap-on played during these trying years.

As an outgrowth of the tool shortages of the war period, an important change in selling technique developed to meet these conditions. Writing sales orders for later delivery created an insurmountable back-order situation. It was impossible to estimate any future delivery, since military priorities were always filled first. Therefore, it became the practice to give Snap-on salesmen merchandise as it became available for civilian use, and it was sold directly to mechanics on a "first come, first serve" basis. The salesman's car or station wagon became a rolling stock of available tools. Some Snap-on men were able to get walk-in trucks, and they added displays to the usual shelf stock.

By 1945, this type of selling had become so firmly entrenched that all salesmen now

carry car stock and make immediate deliveries to customers. Over the years Snap-on sales methods have been strongly influenced by, first, what serves customers best and, second, what increases the individual salesman's earnings. Selling directly from walk-in trucks seemed to satisfy both these requirements.

The next step in this development was also logical. Since a salesman now purchased or was consigned car stock and delivered to the customer from this stock, he was more properly described as a dealer than as a salesman; and the next step was to make each Snap-on salesman an independent businessman or dealer. He was given a dealer franchise in an assigned territory.

Anthony "Red" Oberholtz, at that time the dynamic Western Region Manager, took the leadership in developing this important step forward which broadened the opportunities for the Snapon franchised representatives and contributed so materially to the increased profit potential of the corporation.

By 1950, this gradual change to Snap-on dealerships and franchised territories had been completed throughout the United States and Canada.



"Red" Oberholtz

The decade of the 1950's saw the development of independent Snap-on franchised dealers from a total of 750 to 980 in North America. Sales more than doubled in volume during this period. It led to a revival of planned specialty set selling, the magic green cloth, and renewed emphasis on credit selling.

		11 10		NUMBER OF DEALERS		
	U.S. BRANCHES	CANADA			U.S.A.	CANADA
1925	17 Branches	-		1925	165	
1930	24 Branches	2 Branches		1930	294	6
1935	29 Branches	4 Branches		1935	240	25
1940	30 Branches	5 Branches		1940	488	68
1945	32 Branches	6 Branches		1945	570	75
1950	34 Branches	7 Branches	lets.	1950	650	100
1955	36 Branches	8 Branches		1955	695	105
1960	42 Branches	10 Branches		1960	840	140



Truck Interior

The Snap-on dealer of today is a businessman with a balance sheet, profit and loss statement, assets and liabilities. He has a mobile walk-in truck with good displays, as his place of business. He is a respected member of his community. This Snap-on dealer is a direct descendant of the barn-storming, pioneering specialty man who sold Snap-on tools in 1921.

While dealer sales have always been, and probably always will be, the main factor in Snap-on sales growth, there has also been sales growth in three other important directions.

1. Foreign Markets 2. Industrial Plants 3. Shop Equipment

The rapid growth of the war years called attention to the fact that Snap-on had arrived at the time when it should establish its own export department. In 1945 a plan was worked out over a period of two years—to change from our old export broker operation to the International Department at Kenosha. D. C. Beaulieu took over as Manager of this

Department in 1947. The development of foreign markets, excluding Canada and Mexico, now accounts for about ten per cent of Snap-on sales. In-1952 the subsidiary corporation, Herramientas Snap-on de Mexico S.A. was formed at Mexico City.

Industrial sales, as distinguished from mechanic sales to the auto service market, has had a separate but neglected growth. In 1927, the Detroit Branch, under the management of Bob Campbell, found that tools could be sold to "smokestacks" (factories) as well



D. C. Beaulieu

as to garages. This encouraged the design and production of power sockets and impact sockets for assembly plants. Snap-on was again first in this development. George White, as manager of the Dallas Branch, reported excellent results in selling to the oil industry, and the Atlanta Branch found that considerable volume could be sold to the textile mills in that area. However, selling to industry was a secondary endeavor, usually handled by the branch manager or, later, by the fieldman. By 1940, there were only about ten salesmen specializing on the industrial market in the United States.

The war years gave a tremendous impetus to the industrial sales growth. Hundreds of new accounts were opened, and industrial salesmen were added to the forces in each branch area. In 1960, Snap-on has 91 industrial salesmen concentrating on railroads, plants, refineries, government bases, machine shops and many miscellaneous accounts not reached by Snap-on franchised dealers, under the direction of Milton Steinmetz. In 1959, Snap-on also took steps to establish industrial sales personnel as a separate selling division of the business. This allows greater management specialization and attention to the field development of this important market. In 1960, industrial sales have already responded to this change in management structure.

The rapid growth of the Snap-on line since 1945 has included many items of shop equipment. By 1957, it was apparent that the Snap-on dealer, in attempting to move this growing variety of hand tools and shop equipment, was beginning to neglect selling the basic hand tool line, Snap-on's bread and butter. In 1960, a new group of equipment specialists is being trained and integrated with normal dealer selling. In this third development we are building an organization of highly trained specialists to sell the equipment items that require somewhat complicated and time-consuming demonstration and customer training.



Hillen Stelemetr

This ever-widening opportunity for the market expansion of Snap-on products alerted Management to the fact that these specialized selling operations tended to spread the time and supervisory duties of the General Sales Manager too thin. Therefore, a new post was created. Rogers Palmer, since 1935 Vice President and General Sales Manager was made Vice President and Director of Marketing. Under him responsibility for Domestic Branch Sales was assigned to Gus Childress.

Gus had joined Snap-on in 1942 as a salesman at Los Angeles. In 1945 he was promoted to managership of the San Francisco Branch and rose to Western District Manager in 1953.

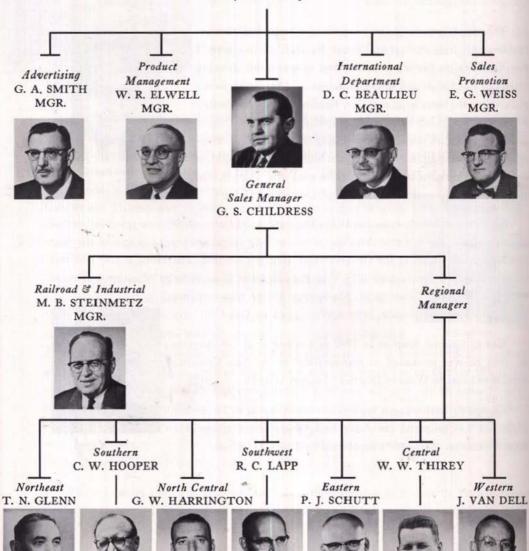
George A. Smith began his service with Snap-on in December, 1929, and has managed the Advertising Department since 1932. Sales Promotion is presently supervised by Elden G. Weiss.



Gus Childress



ROGERS PALMER Vice Pres. & Director of Marketing



EARLY IN THIS HISTORY, we left Bill Seidemann sweating out production in the small plant on Reed Street in Milwaukee. This one-man production operation quickly began to expand, first one helper, then a girl to handle the paper work and more factory help until, by the end of 1921, there were about a dozen on the payroll.

Now the work space was becoming crowded and the founders began to seek new quarters. Towards the end of April 1921, about a year after the start of the business, the plant was moved to a building on South Pierce Street in Milwaukee. Here they had about 13,000 square feet of floor space and were able to add drill presses, punch presses, and three single Brown and Sharpe automatics to the original equipment.

Heat treating and plating facilities were far beyond the reach of the Company's finances and for the first ten years of production these operations were performed outside the plant.

A major addition to the limited machinery equipment came in 1923. Previously, all of the automatic socket blanks had been made for Snap-on by an outside supplier, Line Material Company.

At this time, Bill and Joe were told that this supplier wished to dispose of its automatics and suggested that it would be good business for Snap-on to buy these machines and make its own socket blanks. A deal was worked out and the Company acquired nine automatics. Line Material Company, then suggested that Snap-on would need an experienced man to supervise the automatics and as they would no longer need his services it might be expedient for Snap-on to hire that man.



Edward Beduhn

So it was that Edward Beduhn came with the deal as foreman of Snap-on's automatic department. Over the years, as the department expanded, Ed supervised its operation until he was made superintendent of the plant at Kenosha in 1942. He retired in 1959.

Production
growing
pains

Expansion continued, and in 1926, with over 60 employees, the Company again found its South Pierce Street plant too small and rented additional space in a larger building.

As early as 1928, the founders began dreaming about owning their own plant, one large enough to consolidate the manufacturing and administrative facilities. The Kenosha Chamber of Commerce proved most cooperative in finding an appropriate location. Two of the moving figures in the Chamber were W. A. Alford, chief financial officer of Nash Motors Company, and A. L. Drury, attorney for the Greater Kenosha Land Company which owned a tract on the south limits of the city.

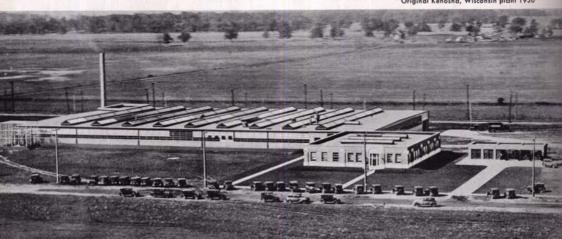
These men and others formed a committee which steered a re-zoning ordinance through the City Council and cleared the tract for industrial purposes.

Mr. Alford, a very public-spirited man, personally financed the purchase of the land and construction of the buildings on a land contract mortgage.

The plant was opened in July of 1930, with appropriate civic ceremonies. It was a great day in the lives of Joe Johnson, Bill Seidemann, Stanton Palmer, and Newton Tarble because they knew it marked the beginning of a new era of greater things to come. "The angel flapped her wings again."

The high point of the day was a speech by Charles W. Nash, President of Nash Motors, and himself one of the pioneers of the automotive industry, in which he related some of the periods of hardship and discouragement through which he and his company had come.

When the equipment was transferred and installed at the new plant in July 1930, it seemed that the problem of production space had been solved, not only for the present but for the future as well. It occupied only about half of the 60,000 square feet of available floor space and at the opening ceremonies a public dance was held on the unoccupied area.



Original Kenosha, Wisconsin plant 1930

During 1929, in preparation for the move, finished inventories had been built up way over maximum requirements. Consequently, when the depression hit in 1930, the Company found itself with plenty of equipment and space, overstocked with finished products and business deteriorating very rapidly.

The plant that had been expected to vibrate with the profitable sound of busy men and machines for some time to come echoed hollowly to the occasional production operation and the footsteps of fewer workers. The question on everyone's mind was "How much longer will the job last?" Workers in factory and offices knew little of the financial worries that plagued the officers of the Company or of their efforts to keep the plant operating and provide as many jobs as possible.

Finally the turning point came and business again filled the plant with workers and additional machinery until the once bare floor became overcrowded and space again insufficient.

Industrial business began to loom up as an important factor in production growth during 1935, while, concurrently, sales to the automobile mechanics also began a steady upward trend, all contributing to production problems.

Increasing tempo of production at large manufacturing plants in the Kenosha area was creating a labor pool shortage. Therefore, it was considered advisable to locate an additional production plant in some location where the supply of help was more plentiful.

Searching once again for a suitable location, Management finally selected an available site at Mt. Carmel, Illinois. Here was a medium-sized but growing community anxious to attract new industry to absorb an excess of local manpower. The factory site available was located adjacent to the right of way of the Southern Railroad and conveniently situated as to highways. A five-acre tract was purchased and Snap-on's second factory constructed in 1937.

The interest which the new factory held for the citizens of Mt. Carmel and the civicminded action they undertook must not be overlooked in this record.

In order to encourage Snap-on to build this plant the people of Mt. Carmel contributed almost \$20,000.00 towards the cost of construction. This was not an official act on the part of the city but a demonstration of the desire of the Mt. Carmel people to see a new opportunity for the jobless come into their town. Snap-on will always be grateful for that demonstration of welcome.

Workers for the plant were hired and a few key men transferred from Kenosha to train the new men. William Enders, who had been plant superintendent at the Kenosha Plant, became Superintendent of the Mt. Carmel factory until his resignation in 1942.

At the same time, William Berrsenbrugge was made Plant Superintendent at Kenosha, and, in turn, transferred to Mt. Carmel as Plant Manager until his retirement in 1954.

In 1938, war clouds were appearing on the horizon and soon the sound and fury of battle raged across the continent of Europe. The United States armed services began stock-



Mt. Carmel, Illinois Plant

piling supplies against the possibilities of conflict. In 1941, with the debacle at Pearl Harbor and the United States' entrance into the war, the production effort was intensified.

Mechanization of war equipment created a huge demand for the type of tools which Snap-on had long produced, and soon the major production of the plants was directed toward military ends.

In 1942, it became increasingly difficult to obtain the forgings needed in production and a modern Forge Shop plus an extension of the production area was added to the

Kenosha property, 54,000 feet in all which almost doubled the original plant floor space.

With an eye to the possible expansion of the plant in years to come, eleven acres of ground adjacent to the existing site was purchased. Encroachment of residential building in later years proved this an extremely wise investment.

Additional automatics were installed in the machine shop area, drop hammers and all the equipment necessary to the efficient operation of the forge shop purchased and installed. To insure against delays in the production of necessary dies for the new operation a die sinking department was set up and completely equipped with modern planing and sinking machines.

No one in the Snap-on organization had the specialized knowledge and experience required to supervise the new operation, and so it was necessary for the Company to look outside its own people for the right man.

The man selected was no stranger to Snap-on requirements. For many years he had been in charge of the forge plant that had made a major portion of the forgings used in Snap-on production.

Alfred M. Jensen joined the Company in 1942 as Forge Shop Superintendent. In 1952 he was named Divisional Works Manager, and in 1955, Vice President and Works Manager. He retired in 1959.



Alfred Jensen

With him also came to Snap-on his brother, Edward Jensen, as foreman of the Die Shop. Ed became Superintendent at the Kenosha Plant in 1959.

Further addition to the Kenosha property came in 1946, with the erection of a twostory, office-type building to house the staff of engineering, purchasing, outside merchan-



Ed lensen

dise, production, data processing and cost control departments.

The war created more than shortages of raw material. New machinery needed to replace obsolete or worn out equipment was almost non-existent. It became a struggle between the process of machinery deterioration and the available and frequently temporary efforts of maintenance. The end of World War II in 1945 left much of the equipment in poor condition for the upsurge in business.

A program of modernization throughout the plants was begun, and, as the first step, all of the automatic departments were changed over to six-spindle type machines. This process of planned obsolescence and replacement of equipment has been followed through the years to the extent that finances permitted. The unrealistic Federal Tax allowance for equipment depreciation seriously affected the replacement program.

Throughout all these hectic years of Company growth, depression, resurgence, and war effort, Bill Seidemann, in his capacity as Works Manager, was putting heart and soul into the efficient functioning of the production end of the business. In 1939 he was made Vice President and in 1948 Vice President in Charge of Production.

The activities that Seidemann had accepted as his full or co-responsibilities were many and diverse: supervision of the entire manufacturing process, maintenance of property and equipment, selection and purchase of equipment, plant and product engineering and control, metallurgy, quality control, product research and development toward the expansion of the Snap-on line, labor relations and contracts, and many others.

In 1948, he found relief from part of this load when Walter Daniel was placed in charge of the Outside Merchandise Department, Product Engineering, Product Control, Quality Control, and Metallurgy. Bill Seidemann retired in 1954, but remains on the Board of Directors of the Company.

The search for future administrative talent led Joe Johnson to select Walter Daniel

as his assistant, this position bringing Walter into close contact with all phases of the Company administration and plant operation. In 1939, he was named Assistant Secretary and continued as Johnson's assistant until his promotion to Staff Officer in 1948.

In the meantime, other important events were happening. Forged Steel Products Company had become the Forged Steel Products Division of Snap-on Tools Corporation, and supervision of the Newport, Pennsylvania plant entailed personnel changes.



Walt Daniel

The man who was transferred to Newport as Plant Manager in 1945, joined the Company in 1930 as a cost accountant clerk and later worked at the Pittsburgh and Chicago Branches. He returned to Kenosha and became head of the cost accounting department until sent to Newport in 1948 as Plant Manager. His name, Harris Kruse.

Ten years later the obsolete Newport plant was closed and its entire production moved, 75% to expanded facilities at Mt. Carmel and 25% to the Kenosha factory.



Harris Kruse

Harris returned to Kenosha as Assistant to Works Manager A. M. Jensen, and, in January 1958, was placed in charge of the Mt. Carmel, Illinois, plant as Plant Manager, a position he still occupies.

The sight of bulldozer, concrete mixer, the steel erectors, and the bricklayers seems to have become a permanent part of the Snap-on picture. No sooner has one expansion been accomplished than the Company is compelled to start planning the next.

Space had become so scarce in the Kenosha Plant that it became necessary to transfer shipping operations to rented quarters. This proved to be a temporary expedient. An addition to the plant was built in 1946, providing an entirely new and efficient area for the automatic department, steel storage, and a larger die sinking department. Further additions were made in 1953 and 1959, bringing the area of the Kenosha plant to a total of 162,000 square feet.

A new geographical area next claimed the attention of Snap-on's Building Committee. Over the border, the Canadian subsidiary, Snap-on Tools of Canada, Limited, had for several years conducted a manufacturing operation in rented quarters at Long Branch, Ontario. With the expiration of the lease, an analysis of the factors involved indicated a distinct advantage in building a new plant in Canada over continuing on a tenancy basis.

A site was selected in a new industrial area in Toronto, and in 1951, the building to house manufacturing and the Canadian Administrative Offices was completed. In turn, the production area was increased in 1952.

General management of the Canadian operation is in the hands of Rogers Palmer, President, and A. W. Clark, Executive Vice President of the subsidiary. Secretary-Treasurer is Wm. H. Shearin, one of the first men hired by the Company at Chicago back in 1920.



A. W. Clark

Down in Mt. Carmel, Illinois, in 1955, the townsfolk were again excited over the news that the Snap-on Plant was to be expanded to almost triple its original size. The erection of a modern forge shop and extensive additions of floor space for increased production resulted.

Meanwhile, Walter Daniel had been elected to the Board of Directors of Snap-on Tools Corporation in 1954, and became Vice President in charge of Research and Development in 1958, and in 1959 he was named Vice President in charge of Manufacturing.

At the same time, George M. Walraven was named Plant Manager of the Kenosha Plant after having served as Chief Engineer and previously in various capacities in the Engineering Department since 1931.

During these years many changes were occurring out in the sales field, and the Company was setting its sights towards an expanded line of products that would include items never before considered. The complex engineering of the modern automobile was bringing into ever-sharpening focus the need



Geo. Walraven

for electrical and electronic test equipment to a degree that made it imperative for Snap-on to enter into the production of such instruments.

Factory facilities and engineering experience were inadequate for the purpose, and information that an existing firm long established as a manufacturer of related equipment was available for purchase was quickly investigated, with the result that the plant and patents of the Joseph P. Weidenhoff Company at Algona, Iowa, was acquired. In 1956, the Company's subsidiary, Weidenhoff Corporation, was formed and the Algona Plant

put into production. In addition to his duties with the parent company Walter Daniel was named President of the Weidenhoff Corporation.

Because the Weidenhoff name was so well known and respected in the automotive test equipment field, it was decided to retain it as the name of Snap-on's new subsidiary.

Many of the instruments previously in the Weidenhoff line, particularly the larger and more complex units, have been redesigned for greater efficiency and modern appearance, and a continuing program of product research and development in this field established.



Weidenhoff Plant at Algona, Iowa

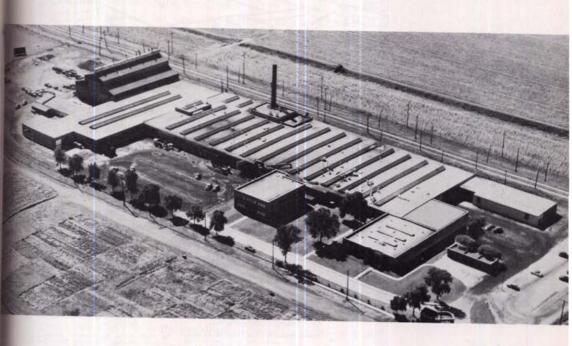
ously were purchased from other firms.

In 1959, an addition of 43,000 square feet was added to the existing 42,000 square footage, more than doubling the size of the original property. This new addition has been equipped with modern facilities for the manufacture of the Company's line of metal tool chests, roll-cabs, cabinets, etc., which previ-

The manufacture of Snap-on Wheel Aligning and Wheel Balancing equipment and related items has recently become part of the Company's production through the acquisition in 1959, through an exchange of stock, of the Judson Engineering Company at Natick, Massachusetts.

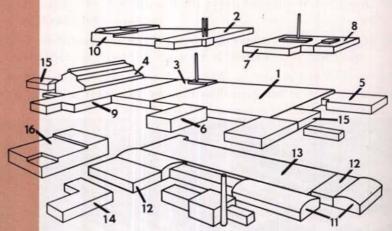
The latest acquisition of the Company occurred in this 40th Anniversary Year of 1960, when the H. R. Kelsey Welding and Engineering Company of Kenosha, through the issuance of Snap-on Common Stock, became a Snap-on subsidiary operating under the name of Kelsey Welding and Engineering Corporation. The subsidiary produces welded goods and distributes welding equipment and supplies. It also specializes in welding for industry and provides appropriate facilities for the manufacture of special industrial tools.

It is impossible to name here all the outstanding individuals who have served the Company through the years in various production capacities. Many have worked up through the ranks to executive, supervisory, and other key positions in the operation. Without their efforts and loyalty the Company would have been hard-pressed to survive the years of adversity and would have been handicapped during the expansion periods.



Pictured here is the main plant and administrative offices at Kenosha, Wisconsin, as it looks today. The company has grown from 3 employees in 1920 to over 2,550 employees and dealers in 1960, with an annual payroll of approximately nine million dollars.

The total investment in property, plants and equipment at cost as of June 30, 1960, was \$8,252,855.



Plants and property

The first of the Company-owned production plants was erected at Kenosha, Wisconsin in 1930. A continuing expansion of the Company's business throughout the ensuing years has made necessary frequent additions to those production facilities. In this fortieth anniversary year of the founding of the Company the inventory of manufacturing, engineering and administration properties has reached considerable proportions.

CHRONOLOGICAL SEQUENCE OF PROPERTY ADDITIONS

- 1 1930—Kenosho, Wis.; plant and general office building—60,000 square feet.
- 2 1937-Mt. Cornel, III.; plant and factory office building-25,000 square feet.
- 3 1942—Kenosho, Wis.; addition to production area of the plant—27,000 sq. ft.
- 4 1942-Kenosho, Wis.; new forge shop built —27,000 square feet.
- 5 1943—Kenosho, Wis.; shipping dock, carpenter shop and material storage building—6,000 square feet.
- 6 1946—Kenosho, Wis.; engineering, purchasing, production and cost control offices—10,000 square feet.
- 7 1951—Toronto, Ont.; Canadian subsidiary plant and general office building— 19,000 square feet.
- 8 1952-Toronto, Ont.; addition to production area of the plant-6,000 sq. feet.
- .9 1952-Kenosha, Wis.; truck dock and receiving dept., steel storage and enlarged production area — 27,000 square feet.

- 10 1955—Mt. Cormel, Ill.; new forge shop and extensive addition to other plant areas—47,000 square feet.
- 11 1956—Algeno, lowe; Weidenhoff subsidiary plant and office buildings acquired —31,000 square feet.
- 12 1957-Algono, lowe; additions to two factory buildings-11,000 square feet.
- 13 1959—Algono, lower large addition to the existing factory buildings—43,000 square feet.
- 14 1959—Natick, Massachusetts; Judson Engineering subsidiary plant building acquired—4,500 square feet.
- 15 1959—Kenesho, Wis.; addition for data processing equipment and office services—4,800 square feet, Storage building for forging dies, etc.— 3,200 square feet.
- 16 1960—Kenosho, Wis.; Kelsey Welding and Engineering Corporation, subsidiary plant building acquired—14,560 square feet.

THE COMPANY ALSO OWNS THE PROPERTY OCCUPIED BY ITS BRANCH OFFICES AND WAREHOUSES IN THE FOLLOWING CITIES:

Boston, Mass	Beacon Street
Buffalo, N.Y628 West	Utica Street
Colgory, Alberta3625 Bla	ekburn Road
Chicago, III	h May Street
Cleveland, Ohio 2066 South	Taylor Road
Detroit/Mich	uette Avenue

THE INTRODUCTION in 1921 of a new pattern of merchandising in the tool industry, the building of a national sales organization from the ground up, and the pressure upon the production end of the business for larger volume and an expanded line of merchandise were necessarily accompanied by severe challenges to the managerial and financial creativity of the founders. Each new plateau of growth brought with it new and complex financial and administrative problems. If these were left unsolved it would have hampered the forward steps being taken in the growth of the sales organization under Newt Tarble's leadership and in the development of production and engineering under Bill Seidemann.

Hampered from the outset by money shortages, both Snap-on Wrench and Motor Tool Specialty found it necessary to resort to various means of financing. Not only were these new companies small, but they were in an experimental stage of both manufacture and distribution of their products. Some of the early branch managers themselves helped to underwrite most of the financial needs of their branches and handled their own accounts receivable.

Stanton Palmer, senior among the founders in both age and financial experience, took the leadership in the struggle for working capital. When Joe Johnson joined the general office force in 1924, Stanton introduced him to the problems and possible solutions in the field of finance. Together they built upon Stanton's policy of integrity and frankness with financial institutions, suppliers and customers. This procedure has served the company well.



Bill Nemitz

William C. Nemitz, who was hired by Ward Sharbach in July, 1924, as branch auditor for Motor Tool Specialty Company, worked long and diligently on the development of accounting procedures which would give proper accounting control of the mushrooming and diversified affairs of the company and supply the basic data

The long climb to stability

for sound operation and financing. In 1930, both Snap-on Wrench and Motor Tool Specialty found themselves spread thin with bank loans, trade acceptances to suppliers, and scanty cash. The minor profits of the operation in both companies had been re-invested in their entirety and the depression had hit hard, but Bill and Joe Johnson, who was then Treasurer of Snap-on Wrench Company, worked their way through with the wise counsel and invaluable aid of J. DeForest Richards, then President of the National Boulevard Bank of Chicago, and the company weathered the storm.

In 1931, Vic Cain became the head of the Branch Accounting Department and inaugurated the study of branch accounting procedures which was years later to culminate in the development of a plan for budgetary forecast and control, and for the establishment of goals and standards of performance which would add tremendous clarity to the vision of every executive in the field, factory, and office as he viewed his responsibilities and planned on how to meet them.

Snap-on was just working its way out of the financial mire of the depression and looking forward to a stronger position when in 1937, a recession again staggered the company. The situation was critical and drastic measures were effected. Branch and factory stocks of goods had built up to alarming proportions and further production served only to intensify a bad situation. After serious deliberation it was decided to shut down production for a period of six months and to reduce the dangerously inflated inventories. No new obligations were incurred and as a result the Company weathered the difficulty.

When Joe was made President of Snap-on in 1939, he brought a new plan for the internal structure of the company into the presidency with him. Bill Nemitz, who had earned his spurs in finance and administration, was made Treasurer and assigned the financial responsibilities. Vic Cain, whose contributions to the analysis of operations in the field and in the factories had already been well accepted, was made Assistant Treasurer and General Auditor and placed in charge of all accounting functions. Walt Daniel was given officer status as Assistant Secretary and assisted Joe in executive functions, many of which he had been discharging for some years previous on a special assignment basis. Rod Palmer, who had been Vice President and Sales Manager since 1935, and Bill Seidemann, in charge of production from the beginning and now Vice President and Works Manager, completed the new team. These men were destined to work together as closely and harmoniously as had the founders of the company, and with equally fruitful results.

At this point it is appropriate to acknowledge the gratitude of the management of Snap-on, past and present, for the financial guidance and counsel which has been so generously made available by J. DeForest Richards and Henry Lee of the National Boulevard Bank of Chicago, both now deceased, Lynn T. Hannahs of the First National Bank of Kenosha, also deceased, and to Stanley Harris, Jr., of the Harris Trust and Savings Bank of Chicago. Banks and bankers have been of invaluable assistance during the years both good and bad of Snap-on's existence.

1939 was marked by more than the re-shuffling of the officer personnel of the company and the re-assignment of certain executive responsibilities. It marked the first dividend payment to the stockholders of the company, they having waited with comparative patience for nineteen years while all of the yield of the company's operations was re-invested in its growth and development. Dividends have been paid upon the outstanding common stock of the company each year since 1939.

ANNUAL SALES	PROFITS OR LOSSES AFTER TAXES	DIVIDENDS PAID ON COMMON STOCK	STOCKHOLDERS' EQUITY
*\$ 498,364	\$ 39,033	THE PART OF THE PA	Fig. not available
1,123,781	(31,143)	district of the last of the	Fig. not available
1,329,878	139,781	Children - see base to	\$ 529,575
2,515,768	257,108	\$ 95,979	988,102
9,529,960	382,661	157,552	3,249,065
12,022,174	1,047,886	503,131	6,960,861
18,791,107	1,421,652	597,092	10,305,727
26,398,025	2,221,352	1,071,220	15,290,134
	*\$ 498,364 1,123,781 1,329,878 2,515,768 9,529,960 12,022,174 18,791,107	SALES AFTER TAXES *\$ 498,364 \$ 39,033 1,123,781 (31,143) 1,329,878 139,781 2,515,768 257,108 9,529,960 382,661 12,022,174 1,047,886 18,791,107 1,421,652	SALES AFTER TAXES ON COMMON STOCK *\$ 498,364 \$ 39,033 — 1,123,781 (31,143) — 1,329,878 139,781 — 2,515,768 257,108 \$ 95,979 9,529,960 382,661 157,552 12,022,174 1,047,886 503,131 18,791,107 1,421,652 597,092

No figures are available for the period 1921-1924.

Inadequate capital continued to be a deterrent to growth. Therefore, in 1941, a public offering of additional common stock was made in order to raise essential operating funds. With the proceeds debts were paid off—some preferred stock which had been bought by employees to help shore up the company's financial structure was retired, and a little extra cash which was quickly soaked up in expanded operations was added to working capital. This was the first and only public offering of any capital stock of the company, which now has approximately 1,400 stockholders.

Forged Steel Products Company, which had been a supplier of the company for many years, was acquired by merger in 1945. Its president, Bill Myers, had been elected President of Snap-on in 1931. Upon Bill's death, in 1939, the owners of Forged Steel asked Joe Johnson to head its operations as well as those of Snap-on, and this he has done since that time. But Snap-on, in the meantime, had become strong, and the owners of Forged Steel were happy to see it permanently wedded to the fortunes of Snap-on.

Further growth and diversification of the organization had brought about a tremendous increase in the load upon the officers of the company. The office of Controller had been created as an officer post in 1944, and the division, headed up by Vic Cain, had been given the increasingly important responsibilities of budgetary administration and accounting controls. Walt Daniel was placed in charge of engineering and research, quality control, product procurement, and others. Both Vic Cain and Walt Daniel were elected to the Board of Directors in 1954, in recognition of their increasing contribution to the progress of the company, and in 1955 both were elected Vice Presidents.

^{*}Sales are indicated at factory prices.



Bob Grover

Realization of the need for further specialized management within the business brought another young man into the organization in 1942, Robert L. Grover. As a young lawyer in the Chicago law firm of Chapman and Cutler, Bob Grover had first made the acquaintanceship of Snap-on in 1937, and had handled various specialized legal assignments for it. He was elected General Counsel in 1944, Secretary in 1945, a Director in 1957, and Vice President and Secretary in 1959. He heads the corporate division of legal, industrial, and public relations.

Now, only one of the founders remained active in the business, and his period of front-line leadership was drawing to a close. When Joe Johnson assumed the Presidency in 1939, he had laid out a tentative plan for the divisionalizing of the business, the training and promotion of younger men to take over responsibilities of top leadership, and the uninterrupted continuance of the business. Joe had selected men and moved them about through various responsibilities in the business and through various fields of activity. He had, indeed, insisted upon their attendance at outside training courses and seminars, such as those conducted by the American Management Association and similar professional groups. He had guided, counseled, and disciplined. He had maintained the "open door" policy for those who sought his counsel, and the "closed door" policy for those who warranted some blunt, pungent, fatherly advice.



Vic Cain

In 1958, Vic Cain had been selected by the Board of Directors as Executive Vice President. In 1959, Vic was elected President and Joe was elected as Chairman of the Board. In 1960, Joe announced his retirement from active duty and the office of Chairman of the Board was not filled.

When Vic became Executive Vice President he was succeeded as Controller by Gordon J. Vandenberg, who had been his assistant for several years. Gordon joined Snap-on in July, 1930, in the Accounting Department, and came up through the accounting ranks, serving at every desk in the factory, office, and branch accounting departments.

Retiring with Joe in 1960 was Bill Nemitz, who had succeeded Joe as Treasurer, and who had stood so sturdily beside him and the other pioneers through the strains, hardships, and battles of the early days.



Gordon Vandenberg



Bill was succeeded as Treasurer of Snap-on by Norman E. Lutz, who had served as Assistant Treasurer since 1959. Norman joined Snap-on in 1945, in the Accounting Department, and subsequently served as Branch Auditor and Branch Accounting Supervisor.

No RECORD of Snap-on would be complete without giving due credit to those Branch Managers who did the pioneer selling that brought in the cash flow that enabled Snap-on to expand and prosper. In those days tools had never been sold direct to the mechanic. Each step along the way was like a path in the wilderness and it took ingenuity, courage, and tenacity to live through the many mistakes made until a formula was found that paid off.

Fortunately, most of these men lived to see their labors richly rewarded. Snap-on would be nowhere without them.



Frank Wendel

FRANK WENDELL... While not the first to manage one of the early branches, Frank Wendell exercised a great influence within the top circle of management throughout the many years of his association with the Company. His opinion was frequently solicited and his reasonable analysis of any situation was an invaluable aid in policy-setting deliberations.

The first meeting between Frank and Newt Tarble occurred late in 1921. Newt had placed an ad in the St. Louis newspapers and had included a "come-on" statement to this effect, "If you can stand prosperity and keep right on working, call me for an appointment Monday or Tuesday at the Statler." The first words he heard from Frank Wendell over the lobby phone were: "What have you got up there you are so proud of?" And Newt replied, "What have you got? Come up and find out."

"Finding out" resulted in Frank opening the St. Louis Branch in January, 1922. A small area was rented in the office of another company and Frank, together with his daughter Mildred, began the branch operation. Mildred was shipping clerk, bookkeeper, secretary, stenographer, and general flunky. For many years thereafter, she was active in the supervision of office procedures.

The men behind the founders

Several changes of location occurred in the years that followed, each to a larger facility demanded by the expanding roll of branch personnel and sales force.

Frank "Pop" Wendell was in the "thick of things" for the greater part of the Company's existence. He played a large part in making Snap-on's history and was elected to the Board of Directors in 1930, serving in that capacity until his death on November 7, 1957, after 36 years of association with Snap-on.

Newt Tarble says, "I wish everyone could have known Frank Wendell as we in Motor Tool and Snap-on knew him. He was warm and friendly and bubbling over with good humor. He was of German descent and we often called him 'The Dutchman.' He loved the great outdoors and trained his son-in-law, Walter Goodwin (now managing the St. Louis and Des Moines Branches in excellent shape) to do likewise. He loved hunting, fishing, and horse racing. He had a great Irish Setter called Becky who could do everything in the field but talk."

Frank Wendell was a great asset to the organization and all who knew him wish to pay respects to his memory.



Cy Edwards

CY EDWARDS . . . Cy Edwards was selling automotive accessories on Michigan Avenue in Chicago, with his office adjacent to the first Motor Tool Specialty Company branch office, when Stanton Palmer, who had known Cy for several years, offered him the opportunity to manage the Chicago Branch.

Cy Edwards brought with him a long and valuable experience in the automotive market and contributed much to the forward progress of the Company. He would pass along to Newt Tarble and Stanton Palmer all the latest news from the firing line. He and his salesmen were particularly helpful in sales testing new

tools, making suggestions for improvements in the line, and picking up ideas from the mechanics.

Chicago was the original testing ground for the selling techniques that later became established. It was also the training ground for men who later became leading branch managers. George White, who later became manager at Dallas, and Bob Campbell, who later opened and operated the Detroit Branch, were outstanding members of the pioneer group. Rogers Palmer, son of Stanton Palmer, now Vice President and Director of Marketing, started his career there as delivery boy, stock man, and later salesman. This close personal friendship that grew among the original group of branch managers was a great asset to the Company, and Cy was largely responsible for knitting them together.

Cy and his Chicago organization were looked upon as part of the old guard, and it was a great shock and blow to all when an automobile accident caused his death in February, 1942. His memory will always be respected.

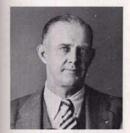
FRANK A. HOSTER... When the Philadelphia Branch was opened late in 1920, Frank became the Company's first branch manager. He graduated from George Washington University and was a patent attorney. A friend of his saw an advertisement inserted in the Philadelphia paper by Newt Tarble and prevailed upon Frank to go and see what it was all about. Frank started selling Snap-on wrenches from his garage, but within a month or so he opened his office near Automobile Row on North Broad Street, Philadelphia.



Frank Hoster

He was excellent in keeping his records and never let any money get away from him. Newt says, "When I worked with Frank, he was wiry, muscular, and strong. He looked as though he would live a long time, but unfortunately he died of a heart attack at an early age. By the middle 40's, he told me he had done exceedingly well in the business and he commented, "You and Stanton both told me this business had a future, and my experience is proof that you sure were right."

We, of course, consider Frank among the old guard who helped make Motor Tool a successful selling enterprise. We pay our respects to Frank's memory.



George White

GEORGE WHITE . . . George White started selling tools for the Chicago Branch. Newt recalls Mr. Palmer telling him he felt George would make a good manager for the Dallas, Texas, branch. Newt went to Dallas with George, where they rented some small inexpensive space near Automobile Row. George later said, "The space was so small that I had to back into it." However, under George's management the branch started growing and was soon moved into much larger quarters. Betty, George's wife, helped him keep the records at the office and they really made a good team. George passed away in 1936 just when he was getting the

branch operating with full steam ahead. George was considered a big asset during those early days. The memory of George White will always be respected.

WARD SHARBACH . . . "Have product of exceptional merit selling to garage trade—need young man in mid-thirties with sales experience and ambition to represent us in this area. Call Mr. Tarble Monday or Tuesday for appointment—Niccolet Hotel." Ward saw this ad in the Sunday Minneapolis paper and went to see Newt who showed him the tools, outlined Stanton Palmer's vision ahead for the future, and explained the proposition.

After going out with Tarble and making some actual sales, Ward was sold on the Snap-on idea.



Ward Sharbach

Like many other branches, Minneapolis first started with a sample case. In a year or so, Sharbach had his branch organized so well that Stanton Palmer used him a great deal on special assignments at other branches that were in trouble and in the General Office in Chicago where he helped develop the branch inventory system. Ward was a graduate of the University of Minnesota and developed into a very capable executive. He was transferred to our very important Detroit Branch in 1937 and retired in December, 1958.



Bob Campbell

BOB CAMPBELL... The branch at Detroit, in the heart of the automotive industry, came into being in May, 1922, largely as the result of the hard work and continuous efforts put forth by R. B. Campbell.

Bob had been one of the first three direct salesmen in the organization when the first branch was established in Chicago in December, 1921.

Like the other early branches, the Detroit Branch found itself growing year after year, compelling several location moves.

Early in 1937, ground was broken for the construction of a modern branch office which Bob, with years of experience in selling and handling tool equipment to call on, helped design.

Tragically, however, Bob Campbell failed to see his lifelong dream realized. He died in March, 1937, just before his new branch office was completed. Management lost not only one of the stable fixtures in the organization, but also a personal friend.



"Red" Catterlin

OSCAR C. "RED" CATTERLIN . . . Newt Tarble recalls that he and Red first met at the Second Officers Training Camp, Fort Benjamin Harrison, in Indiana. They became good friends, and after the war, Newt wrote to "Red" and asked him if he would like to get into the tool business. "Come down to Indianapolis and let us talk it over," was the reply.

Early in 1923, the Indianapolis Branch was officially opened and "Red" was the first and only manager of that branch until he retired in December, 1947.

Most of the pioneer branch managers were of unique and colorful character and "Red" was no exception. You could not help liking him, even if he disagreed with your ideas, and if he thought he was right, he was mighty hard to convince.

He was always considered one of the old guard pioneers and, today, is retired and follows the progress of the Company with great interest.

Directors and executive officers

SNAP-ON TOOLS CORPORATION



JOSEPH JOHNSON 40 Service Years



VICTOR M. CAIN 31 Service Years



ROGERS PALMER 34 Service Years



WM. A. SEIDEMANN 40 Service Years



NEWTON E. TARBLE 40 Service Years



W. WALTER DANIEL 31 Service Years



WM. C. NEMITZ 36 Service Years



ROBERT L. GROVER 18 Service Years



THEODORE N. GLENN 39 Service Years



GORDON J. VANDENBERG NORMAN E. LUTZ 30 Service Years



15 Service Years



KERMIT N. CAVES 5 Service Years

BOARD OF DIRECTORS

VICTOR M. CAIN W. WALTER DANIEL THEODORE N. GLENN ROBERT L. GROVER JOSEPH JOHNSON WM. C. NEMITZ ROGERS PALMER WM. A. SEIDEMANN NEWTON E. TARBLE

OFFICERS

ictor M. Cain
logers Palmer Vice President and Director of Marketing
V. Walter DanielVice President in Charge of Manufacturing
lobert L. GroverVice President and Secretary
forman E. Lutz
Gordon J. Vandenberg
Fermit N. Caves Assistant Secretary

Looking forward with SNAP-ON

T IS THE WISH of all of us who collaborated in the preparation of "The Snap-on Story" that it will be of particular interest to our employees, stockholders, customers and suppliers.

To our employees it should indicate that their future with Snap-on holds hope for their own substantial progress. Our diversified line of products has grown from 5 handles and 10 sockets to over 4,000 use-proven items within the span of 40 years. These tools have kept pace with the rapid changes in industry's requirements. It encompasses the change-over from model T to the modern car of today, from steam engine to diesel, from manned machines to automation, from manned aircraft to missiles. We shall continue to adjust to changing conditions.

To our stockholders it should indicate that the company's substantial and steady growth has been due to the solid foundation built by the founders and those who have worked with them. It has been built by a consistent policy of manpower training and promoting from within, to assure an uninterrupted succession of seasoned executives. The success of the future as it has been in the past is vitally dependent upon our people and the environment in which they perform their daily tasks.

To our customers it should indicate that 40 years of standing by our guarantee of highest quality has built a loyal following of skilled craftsmen who take pride in owning Snap-on tools because they help them do a better and easier day's work. Their confidence in and loyalty to our 980 franchised dealers is appreciated.

To our suppliers it should indicate that Snap-on is a good growth customer that has a legacy of curiosity and willingness to explore new frontiers and accept new ideas. As new materials and methods are developed they will be used to maintain the top quality reputation which Snap-on enjoys today.

We face the years ahead with confidence and enthusiasm. We are sure that ahead of us lie opportunities for growth, diversification and industrial pioneering which may be enjoyed with the same enthusiasm which the founders experienced.

If this book transfers to the reader some of the optimism for the future of the company that we, its present management, feel, it will have served a useful purpose.

We want to express our appreciation to all who have contributed their time and talents to the writing of the "Snap-on Story" and are especially grateful to Newt Tarble for the initiative and the effort he has put into it.

Victor M. Cain

President



THE SNAP-ON DEALER

There are at the present time 980 exclusive, franchised territory Snap-on dealers selling direct to industrial plants, automotive dealers, service station operators, and garage mechanics on a regular route and call-back system. They are supervised through fifty-three branch offices. Each franchised dealer is an independent businessman operating with a fully stocked walk-in mobile merchandise unit as pictured above.